



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

August 11, 2014

Senator Kevin de León, Chair
Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

RE: AB 43 (BOCANEGRA) – SUPPORT AS AMENDED AUGUST 5, 2014 – REMOVE FROM SUSPENSE

Dear Senator de León,

I am writing to urge your consideration in removing Assembly Bill 43 (Bocanegra) from the Suspense File. Under amendments taken on August 5, a retailer will now be permitted to assign the right to file a claim for refund of excess tax reimbursement in the amount of \$50,000 or greater to a single customer, and not just the right to receive the refund payment only.

Under current law, the retailer is the only person who may file a claim for refund of sales taxes and receive the refund from the Board of Equalization (BOE). When a retailer receives a refund of excess tax reimbursement paid to the state, the retailer is obligated by law to return the excess tax reimbursement to their customer who paid it. AB 43 will alleviate an administrative burden for purchasers (i.e., a retailer's customer) seeking a refund of excess tax reimbursement by creating a vendor assignment policy in California. This means the retailer and the customer will need to sign the irrevocable assignment and submit it to the BOE with the claim for refund. This assignment would also allow the customer to deal directly with the BOE in seeking a refund of excess sales tax, once the retailer provides the required information.

AB 43 is a measure that seeks to alleviate an administrative burden on purchasers who are due a refund but must work through a retailer who may have no incentive to pursue a refund. The bill will streamline the refund process and return the tax to the purchaser who paid it. Lastly, the assignment mechanism is intentionally limited in order to minimize the BOE's administrative costs.

I am pleased to support AB 43 and ask your consideration of its removal from the Suspense File when it is heard before the Senate Appropriations Committee on August 14.

Sincerely,

A handwritten signature in blue ink, appearing to be "G. Runner", written over a horizontal line.

GEORGE RUNNER